

## BILL FOR COLLECTION

Make Remittance Payable To: Bureau of Indian Affairs-Havajo Area  
(Bureau or Office)  
Date: 6-12-84

Mail Payment To: Window Rock, Arizona 86515-0714  
(Address)  
164

PAYER:

Todilto Exploration & Development Corp.  
3810 Academy Parkway South N. E.  
Albuquerque, New Mexico 87109

Amount of Payment \$

Date	DESCRIPTION	Quantity	Unit Price		Amount
			Cost	Per	
	CK# 16486, dtd. 6-8-84, Southwest National Bank of Albuquerque, New Mexico - Payable to BIA.....				\$1,151.54
	N00-C-14-20-8396 - Al# 077031				
	Payment for Annual Rental.....816.90 ..1984/1985				
	and Minimum Royalty				
	334.64				
	1,151.54				
	Allotted Uranium Payment				
	Cr: V-10025, C#6841, Brown Vandever - (all)				

AMOUNT DUE THIS BILL \$ 1,151.54

Amount received, \$

6-12-84

Ruth A Jim

Collection Officer

ACCOUNTING CLASSIFICATION (Appropriation Symbol must be shown; other classification optional)

CR: N00-01X0039-0611- IIM Accounts as above.

CR: ARPM/Minerals  
Chrono  
C/O

P A Y E E DETACH THIS STATEMENT BEFORE DEPOSITING

TODILTO EXPLORATION & DEVELOPMENT  
CORPORATION, ALBUQUERQUE, NEW MEXICO

DATE	ACCOUNT OR INVOICE NO.	DESCRIPTION	AMOUNT	DISCOUNT OR DEDUCTION	NET AMOUNT
6/8/84		Annual Rental @ \$5.00/acre - \$816.90 Minimum Royalty @ \$20/acre - \$3,267.60 Less 1981-82 overpayment of \$2932.36 =	\$816.90  \$334. <sup>64</sup>  \$1,151. <sup>64</sup>		
Lease N00-C-14-20-8396		Total:			
SW Section 18, 13N, R10W, NMPM					

EMPLOYEE'S NAME TODILTO EXPLORATION & DEVELOPMENT  
CORPORATION, ALBUQUERQUE, NEW MEXICO

PAY PERIOD ENDING	HOURS	RATE	GROSS EARNINGS	FICA	FED. WITH TAX	STATE WITH TAX	INS.	TOTAL DEDUCTS.	NET EARNINGS PAID
REG. T. O.T.				DEDUCTIONS					

EMPLOYEE: THIS IS A STATEMENT OF YOUR EARNINGS AND DEDUCTIONS FOR PERIOD INDICATED. KEEP THIS FOR YOUR PERMANENT RECORD.

# TODILTO

## 12103/ EXPLORATION AND DEVELOPMENT CORPORATION

G. WARNOCK  
PRESIDENT

H.B. [CHICK] WARNOCK  
SENIOR VICE PRESIDENT

V. MONDRAGON  
VICE PRESIDENT/CONTROLLER

June 7, 1984

Mr. Thomas Lynch  
Real Property Management  
Bureau of Indian Affairs  
Navajo Area Office  
Windowrock, Arizona 86515

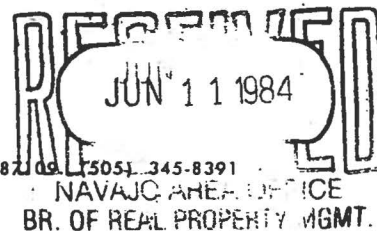
Re: BIA Lease #N00-C-14-20-8396  
SW $\frac{1}{4}$  Section 18, T13N, R10W, NMPM

Dear Mr. Lynch:

In reviewing payments and work commitments on the above referenced lease I arrive at the following summary:

<u>Contract Clause</u>	<u>Item</u>	<u>Details</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>
IV	Production Poyalty	Variable	\$2,208.04 3/26/81	\$2,932.36 5/22/81	no Production	no Production
V	Minimum Royalty	163.38 acres @ \$20/acre = \$3,267.00	\$1,059.56 4/10/81	\$3,267.60 4/19/82	\$3,267.60 3/22/83	
VI	Annual Rental	@ \$5/acre = \$816.90	\$ 816.90 4/10/81	\$ 816.90 4/19/82	\$ 816.90 3/22/83	
XIV	Development	@ \$15/acre = \$2,450.70	\$132,975.58 1/28/82	\$2,496.68 1/6/83	\$4,169.98 3/23/84	\$3,092.75 4/3/84

It appears we are in compliance with all obligations except that MINIMUM ROYALTY, (\$3,267.60) and ANNUAL RENTAL (\$816.90) which were due on March 24, 1984 have not been paid. The purpose for this is to rectify that situation. The review also uncovered an item which affects the amount of this year's payment. It appears an overpayment was made on ROYALTIES In 1981-82. A production royalty of \$2,932.36 was made on 5/22/81 which was not credited toward the minimum royalty of \$3,267.60 which was paid in full on 4/19/82. I believe the final royalty payment for 1981-82 therefore should have been \$334.64 (\$3,267.60 - \$2,932.36)

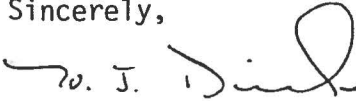


A 10% penalty for late payment in the amount of \$408.45 was also assessed and paid for that year. It appears a portion of that penalty was assessed on royalties not actually due.

Please review the entire situation so we can mutually settle the matter. I would also appreciate your help in resolving this with USGS. Their computer turns out monthly statements which are incomprehensible to me and seem not to have the benefit of the transactions that take place between Todilto and B.I.A.

My suggestion for bringing us into compliance with the agreement is to pay the ANNUAL RENTAL (\$816.90) and the MINIMUM ROYALTY (\$3,267.60) less the 1981-82 overpayment (\$2,932.36) = \$334.64 for a total of \$1,151.54. Check #16486 in that amount is enclosed. The 10% penalty for late payment (\$408.45) then remains as an unresolved issue awaiting your review.

Sincerely,



N.J. Dircks  
Manager of Exploration

NJD:djw  
enclosure  
cc: Joanne Zanjina  
MMS (RMP) Solid Minerals Unit  
P.O. Box 5760  
Denver, Colorado 80217